

DEC 28 2015

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

SECRETARY, BOARD OF
OIL, GAS & MINING

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF CRESCENT POINT ENERGY U.S. CORPORATION FOR AN ORDER: (1) PARTIALLY VACATING THE BOARD'S ORDER IN DOCKET NO. 2011-012, CAUSE NO. 142-05 AS TO CERTAIN LANDS; (2) VACATING THE BOARD'S ORDER IN DOCKET NO. 2014-023, CAUSE NO. 131-138; AND (3) ESTABLISHING 40-ACRE, OVERLAPPING 640-ACRE AND OVERLAPPING STAND-UP 1,280-ACRE DRILLING UNITS FOR THE PRODUCTION OF OIL, GAS AND ASSOCIATED HYDROCARBONS FROM THE LOWER GREEN RIVER AND GREEN RIVER-WASATCH FORMATIONS IN PORTIONS OF TOWNSHIPS 3 AND 4 SOUTH, RANGES 1 AND 2 EAST, U.S.M., UINTAH COUNTY, UTAH

AMENDED REQUEST FOR AGENCY ACTION

Docket No. 2015-026

Cause No. 131-141

COMES NOW, Crescent Point Energy U.S. Corporation ("CPE"), by and through its attorneys Fox Rothschild LLP, and pursuant to Utah Code Ann. §§ 40-6-5(3)(b) and 40-6-6, hereby respectfully requests that the State of Utah Board of Oil, Gas and Mining ("Board") enter an order: (1) partially vacating the Findings of Fact, Conclusions of Law and Order Allowing In-Fill Wells in Docket No. 2011-012, Cause No. 142-05 dated effective August 24, 2011 ("Board Order No. 142-05"); (2) vacating the Findings of Fact, Conclusions of Law and Order in Docket No. 2014-023, Cause No. 131-138 dated effective July 23, 2014 ("Board Order No. 131-138"); and (3) establishing 40-acre, overlapping 640-acre and overlapping stand-up 1,280-acre drilling units for the production of oil, gas and other hydrocarbons from the Lower Green River and Green River-Watsatch Formations, defined for purposes of this Amended Request for Agency Action ("Amended RAA") as (collectively, "Subject Formations");

The interval from the top of the Lower Green River Formation (TGR₃) to the base of the Green River-Wasatch Formation (top of Cretaceous), which base is defined as the stratigraphic equivalent of the Dual Induction Log depths of 16,720 feet in the Shell-Ute 1-18B5 Well, located in the S/2NE/4, Section 18, Township 2 South, Range 5 West, U.S.M., and 16,970 feet in the Shell-Brotherson 1-11B4 Well, located in the S/2NE/4, Section 11, Township 2 South, Range 4 West, U.S.M.”).

Specifically, CPE seeks the Board’s establishment of forty (40) acre (or the substantial equivalent) drilling units; overlapping six hundred forty (640) acre (or the substantial equivalent) drilling units; and overlapping stand-up one thousand two hundred eighty (1,280) acre (or the substantial equivalent) drilling units for the concurrent development of the Subject Formations by traditional vertical wells, short lateral horizontal wells and long lateral horizontal wells, respectively, to permit a flexible, fieldwide development plan for the Subject Lands (as defined below).

The overlapping nature of the forgoing drilling units will not only provide CPE with the latitude needed to drill vertical, short horizontal and long horizontal wells in a manner driven by geology, engineering, impact minimization and efficiency, but will also afford predictability in the preparation of federal communitization agreements and future compulsory pooling proceedings before the Board, as well as affording CPE an opportunity to create a five (5) year development plan concerning the Subject Lands. The flexibility requested herein with respect to the development of the Subject Lands is necessary to allow the orderly development of the Subject Formations underlying the Subject Lands (as defined below), to protect correlative rights and prevent waste.

CPE’s request in this Amended RAA extends to: (I) the establishment of seven hundred twenty (720) forty (40) acre (or the substantial equivalent) drilling units, each comprised of a governmental quarter-quarter section, for the development of the Subject Formations (each a

“40-acre Unit” and collectively, “40-acre Units”) with respect to the following lands located in Uintah County, Utah (collectively, “40-acre Unit Lands”):

Township 3 South, Range 1 East, U.S.M.

Section 1-6:	All
Section 10-15:	All
Section 18-22:	All
Section 29-33:	All

Township 3 South, Range 2 East, U.S.M.

Section 4-9:	All
Section 16-18:	All
Section 20-22:	All
Section 26-28:	All
Section 33:	All
Section 35:	All

Township 4 South, Range 2 East, U.S.M.

Section 1-4:	All
Section 10:	All
Section 12:	All;

(II) the establishment of forty-five (45) six hundred forty (640) acre (or the substantial equivalent) overlapping drilling units, each comprised of a governmental section, for the development of the Subject Formations (each a “640-acre Unit” and collectively, “640-acre Units”), with respect to the following lands located in Uintah County, Utah (collectively, “640-acre Unit Lands”):

Township 3 South, Range 1 East, U.S.M.

Section 1-6:	All
Section 10-15:	All
Section 18-22:	All
Section 29-33:	All

Township 3 South, Range 2 East, U.S.M.

Section 4-9:	All
Section 16-18:	All
Section 20-22:	All
Section 26-28:	All
Section 33:	All
Section 35:	All

Township 4 South, Range 2 East, U.S.M.

Section 1-4: All
Section 10: All
Section 12: All; and

(III) the establishment of seventeen (17) one thousand two hundred eighty (1,280) acre (or substantial equivalent) overlapping stand-up drilling units, each comprised of two (2) governmental sections, for the development of the Subject Formations (each a “1,280-acre Unit” and collectively, “1,280-acre Units”), with respect to the following lands located in Uintah County, Utah (collectively, “1,280-acre Unit Lands”):

Township 3 South, Range 1 East, U.S.M.

Sections 1 and 12: All
Sections 2 and 11: All
Sections 3 and 10: All
Sections 15 and 22: All
Sections 18 and 19: All
Sections 20 and 29: All
Sections 30 and 31: All

Township 3 South, Range 2 East, USM

Sections 4 and 9: All
Sections 5 and 8: All
Sections 6 and 7: All
Sections 16 and 21: All
Sections 17 and 20: All
Sections 22 and 27: All
Sections 26 and 35: All
Sections 28 and 33: All

Township 4 South, Range 2 East, USM

Sections 1 and 12: All
Sections 3 and 10: All

For purposes of this Amended RAA, the 40-acre Unit Lands, 640-acre Unit Lands and 1,280-acre Unit Lands are referred to collectively as the “Subject Lands.” CPE’s request herein concerning the Subject Lands, with respect to the Subject Formations, is subject to, among other things, the following:

A. A maximum of one (1) vertical well (each a “Vertical Well”) may be drilled, completed and operated from the Subject Formations in each 40-acre Unit, for a total of sixteen (16) Vertical Wells per governmental section, inclusive of any Vertical Wells existing on the Subject Lands as of the date of this Amended RAA, as set forth more particularly below (each an “Existing Vertical Well” and collectively, “Existing Vertical Wells”);

B. A maximum of twelve (12) short lateral horizontal wells, each comprised of an approximately one (1) mile long lateral wellbore (each an “SLHZ Well” and collectively, “SLHZ Wells”), may be drilled, completed and operated from the Subject Formations in each 640-acre Unit, inclusive of both: (I) any SLHZ Well existing within any such 640-acre Unit as of the date of this Amended RAA, as set forth more particularly below (each an “Existing SLHZ Well” and collectively, “Existing SLHZ Wells”) and (II) any future LLHZ Wells (as defined below) drilled on any lands contained within any such 640-acre Unit;

C. A maximum of twelve (12) long lateral horizontal wells, each comprised of an approximately two (2) mile long lateral wellbore (each an “LLHZ Well” and collectively, “LLHZ Wells”), may be drilled, completed and operated from the Subject Formations in each 1,280-acre Unit, inclusive of: (I) any LLHZ Well existing within any such 1,280-acre Unit as of the date of this Amended RAA, as set forth more particularly below (each an “Existing LLHZ Well” and collectively, “Existing LLHZ Wells”); (II) any Existing SLHZ Well; and (III) any future SLHZ Wells drilled on any lands contained within any such 1,280-acre Unit;

D. For avoidance of doubt, CPE’s request seeks the flexibility to drill SLHZ and LLHZ Wells in overlapping 640-acre units and 1,280-acre units, but limited to maximum of twelve (12) horizontal wells per any overlapping 640-acre Unit or 1,280-acre Unit, such that the

overlapping nature of the request would in no instance result in a maximum number of wells in excess of the twelve (12) requested;

E. The Subject Formations constituting a “common source of supply” as defined in Utah Code Ann. § 40-6-2(18);

F. Future Vertical Wells within each 40-acre Unit shall be drilled, completed and operated such that any future Vertical Well may be located in the center of any governmental quarter-quarter section, with a four hundred foot (400.0’) window of tolerance, located no closer than: (I) four hundred sixty feet (460.0’) from the boundaries of any 40-acre Unit and (II) nine hundred twenty feet (920.0’) to any other Existing Vertical Well or future Vertical Well producing from the Subject Formations, absent an exception location approved pursuant to Rule of the Board and the Utah Division of Oil, Gas and Mining Rule (collectively, “UDOGM Rules”) R649-3-3;

G. No producing interval of any future SLHZ Well or LLHZ Well may be located closer than three hundred thirty feet (330.0’) laterally from any Existing Vertical Well or future Vertical Well, absent an exception location approved pursuant to UDOGM Rule R649-3-3;

H. No producing interval of any future SLHZ Well or LLHZ Well may be located: (I) closer than three hundred thirty feet (330.0’) laterally from the north and south boundaries of any 640-acre Unit or 1,280-acre Unit; (II) closer than five hundred sixty feet (560.0’) laterally from the east and west boundaries of any 640-acre Unit or 1,280-acre Unit; or (III) closer than three hundred thirty feet (330.0’) laterally from the producing interval of any Existing SLHZ or LLHZ Well, or any future SLHZ or LLHZ Well, within the same 640-acre Unit or 1,280-acre Unit, absent an exception location approved pursuant to UDOGM Rule R649-3-3;

I. Future SLHZ and LLHZ Wells drilled to separate zones within the Subject Formations (each a “Stacked HZ Well” and collectively, “Stacked HZ Wells”) within any 640-acre Unit or 1,280-acre Unit shall have no interwell setback distance laterally between one another within the subject 640 Unit or 1,280 Unit, but no producing interval of an SLHZ or LLHZ Well within such 640-acre Unit or 1,280-acre Unit may be located closer than one hundred feet (100.0’) vertically from the producing interval of another Stacked SLHZ or LLHZ Well within such 640-acre Unit or 1,280-acre Unit, absent an exception location approved pursuant to UDOGM Rule R649-3-3;

J. The surface location of: (I) any future Vertical Well may be located pursuant to UDOGM Rule R649-3-2; (II) any future SLHZ or LLHZ Well may be located anywhere within any 640-acre Unit or 1,280-acre Unit, respectively; and (III) any future SLHZ or LLHZ Well may be located outside of any 640-acre Unit or 1,280-acre Unit, respectively, all subject to the acquisition of proper surface and subsurface estate authorizations and the casing/cementing of any future SLHZ or LLHZ Well to the three hundred thirty foot (330’) setback set forth in Paragraph H above, both of which shall be evidenced by a self-certification of the same executed by the operator of such 640-acre Unit or 1,280-acre Unit and filed with the Utah Division of Oil, Gas and Mining (“Division”), and provided that the other setbacks set forth in Paragraph H above are otherwise maintained;

K. The requirement that CPE appear before the Board on the first anniversary of the effective date of the order of the Board issued pursuant to this Amended RAA, and on each of the four (4) anniversaries thereafter, for the purpose of: (I) providing the Board with information and data concerning CPE’s operations on the Subject Lands pursuant to such order and (II) based

thereon, determining the need, if any, for the Board's amendment, modification and/or termination of any such order; and

L. The expiration of the order of the Board issued pursuant to this Amended RAA five (5) years of the date of such issuance, unless otherwise extended, amended and/or modified by the Board.

In support of this RAA, CPE states, represents and alleges as follows:

1. CPE is a Delaware corporation with its principal place of business in Denver, Colorado.
2. CPE is duly qualified to conduct business in the State of Utah.
3. CPE is fully and appropriately bonded as required by all relevant Federal, Tribal and State of Utah governmental agencies.
4. The oil, gas and other hydrocarbons within the Subject Lands are subject to numerous oil and gas leases, of which CPE is a majority working interest owner.
5. Portions of the Subject Lands are currently subject to the following orders of the Board establishing drilling units for the Subject Formations (collectively, "Existing Orders"):
 - (a). Pursuant to Board Order No. 142-05,¹ the Board allowed the drilling of up to two (2) Vertical Wells in previously-established eighty (80) acre drilling units covering a portion of the Subject Lands (*i.e.* NW/4, Section 33, Township 3 South, Range 2 East, U.S.M.; "Order 142-05 Lands") for the production of oil, gas and associated hydrocarbons from the Subject Formations, defined therein as follows:

¹ Modifying the Board's Findings of Fact, Conclusions of Law and Order in Docket No. 2007-017, Cause No. 142-03 dated effective July 17, 2008, which, among other things, established lay-down eighty (80) acre drilling units for the production of oil, gas and associated hydrocarbons by a single well from the Subject Formations, as defined therein.

That interval between the stratigraphic equivalent of 5,858 feet as shown on the induction log of the Knight 14-30 well, located in the SE/4SW/4 of Section 30, Township 3 South, Range 2 East, U.S.M., and the stratigraphic equivalent of 7,610 feet as shown on the Laterolog of the Gulf Randlett #2 Well, located in the SW/4SE/4 of Section 31, Township 3 South, Range 2 East, U.S.M.

(b). Pursuant to Board Order No. 131-138, the Board allowed the drilling of up to six (6) SLHZ or LLHZ Wells in each of the following established drilling units: (i) two (2) six hundred forty (640) acre drilling units covering a portion of the Subject Lands (*i.e.* All of Section 18, Township 3 South, Range 1 East, U.S.M. and All of Section 10, Township 4 South, Range 2 East, U.S.M.) and (ii) two (2) one thousand two hundred eighty (1,280) acre drilling units covering other portions of the Subject Lands (*i.e.* All of Sections 20 and 29, Township 3 South, Range 1 East, U.S.M. and All of Sections 22 and 27, Township 3 South, Range 2 East, U.S.M.) (collectively, "Order 131-138 Lands"), for the production of oil, gas and associated hydrocarbons from the Subject Formations, defined therein as follows:

That interval below the stratigraphic equivalent of 9,600 feet depth in the "E" log of the Carter #2 Bluebell Well located in the SW/4NW/4, Section 3, Township 1 South, Range 2 West, U.S.M. (which equivalence is the depth 9,530 feet of the SP curve, Dual Induction Log, run March 15, 1968, in the Chevron #1 Blanchard Well, located in the NW/4SE/4 of said [Section 3]), to the base of the Green River-Wasatch Formations, which 9,600-foot depth is equivalent to 5,955 feet in CPE's Randlett Gavitte 13-23-3-1E Well, located in the SW/4SW/4 of Section 23, Township 3 South, Range 1 East

6. As of the filing of this Amended RAA, with the exception of Board Order No. 142-05 and Board Order No. 131-138, there are no other well spacing, density, compulsory pooling or other orders of the Board affecting the Subject Lands, other than the general provisions of the UDOGM Rules regarding drilling units and well spacing.

7. As of the filing of this Amended RAA, there are no Existing Vertical Wells or Existing SLHZ or LLHZ Wells located on and/or producing from the Subject Formations on the Order 142-05 Lands, pursuant to Board Order No. 142-05 or the UDOGM Rules.

8. As of the filing of this Amended RAA, the following eleven (11) wells are the only Existing Vertical Wells located on and/or producing from the Subject Formations on the Subject Lands:

(a). Kendall 1-18-3-1E Well, API No. 43-047-53097, located in the NE/4NE/4, Section 18, Township 3 South, Range 1 East, U.S.M.;²

(b). Merritt 3-18-3-1E Well, API No. 43-047-52967, located in the NE/4NW/4, Section 18, Township 3 South, Range 1 East, U.S.M.;³

(c). Kendall 9-18-3-1E Well, API No. 43-047-53095, located in the NE/4SE/4, Section 18, Township 3 South, Range 1 East, U.S.M.;⁴

(d). Cox 12-31-3-1E Well, API No. 43-047-54797, located in Lot 6 (SE/4SE/4), Section 31, Township 3 South, Range 1 East, U.S.M.;

(e). Coleman Tribal 9-33-3-1E, API No. 43-047-54042, located in the NE/4SE/4, Section 33, Township 3 South, Range 1 East, U.S.M.;

(f). Coleman Tribal 8-33-3-1E, API No. 43-047-54041, located in the SE/4NE/4, Section 33, Township 3 South, Range 1 East, U.S.M.;

(g). Coleman Tribal 1-33-3-1E, API No. 43-047-54036, located in the NE/4NE/4, Section 33, Township 3 South, Range 1 East, U.S.M.;

² Located on the Order 131-138 Lands.

³ Located on the Order 131-138 Lands.

⁴ Located on the Order 131-138 Lands.

(h). Ute Tribal 11-4-4-2E Well, API No. 43-047-52197, located in the NE/4SW/4, Section 4, Township 4 South, Range 2 East, U.S.M.;

(i). Gardner State 1-26-3-2E Well, API No. 43-047-55108, located in the NE/4NE/4, Section 26, Township 3 South, Range 2 East, U.S.M.;

(j). Gardner 16-26-3-2E, API No. 43-047-55099, located in the SE/4SE/4, Section 26, Township 3 South, Range 2 East, U.S.M.; and

(k). Gardner 14-26-3-2E, API No. 43-047-55193, located in the SE/4SW/4, Section 26, Township 3 South, Range 2 East, U.S.M.

9. As of the filing of this Amended RAA, the following four (4) wells are the only Existing SLHZ or LLHZ Wells located on and/or producing from the Subject Formations on the Subject Lands:

(a). Lamb 13-10-4-2E-DC Well, API No. 43-047-55125, with a surface location in the NW/4NW/4, Section 15, Township 4 South, Range 2 East, U.S.M.;⁵

(b). Lamb 13.5-10-4-2E-BS Well, API No. 43-047-55126, with a surface location in the NW/4NW/4, Section 15, Township 4 South, Range 2 East, U.S.M.;⁶

(c). Kendall 2-18-3-1E-CP Well, API No. 43-047-55113, with a surface location in the SW/4SE/4, Section 7, Township 3 South, Range 1 East, U.S.M.;⁷ and

(d). Kendall State 14-4-3-1E-WS Well, API No. 43-047-53114, with a surface location in the NW/4NE/4, Section 9, Township 3 South, Range 1 East, U.S.M.

⁵ Located on the Order 131-138 Lands.

⁶ Located on the Order 131-138 Lands.

⁷ Located on the Order 131-138 Lands.

10. As of the filing of this Amended RAA, with the exception of the Existing Vertical Wells and the Existing SLHZ and LLHZ Wells (collectively, "Existing Wells"), there are no other wells drilled or producing from the Subject Formations on the Subject Lands.

11. Based upon the information and data obtained through CPE's drilling of the Existing SLHZ Wells in the 640-acre drilling units currently established pursuant to Board Order No. 131-138, CPE believes and alleges that:

(a). The drilling, completion and operation of future Vertical Wells and future SLHZ and LLHZ Wells in the requested 40-acre Units, overlapping 640-acre Units and overlapping stand-up 1,280-acre Units, respectively, will result in production and productivity increases, and cost effectiveness, over Vertical Wells alone, and will allow access to additional resources in the Subject Formations that would not otherwise be recovered;

(b). With respect to SLHZ and LLHZ Wells, the average effective hydraulic fracture half lengths and average orientation confirm that: (i) producing interval setbacks of three hundred thirty feet (330.0') laterally from any Existing Vertical Well or future Vertical Well; (ii) producing interval setbacks of three hundred thirty feet (330.0') laterally from the north and south boundaries of each 640-acre Unit or 1,280-acre Unit; (iii) producing interval setbacks of five hundred sixty feet (560.0') laterally from the east and west boundaries of each 640-acre Unit or 1,280-acre Unit; (iv) producing interval setbacks of three hundred thirty feet (330.0') laterally from the producing interval of any Existing SLHZ or LLHZ Well, or any future SLHZ or LLHZ Well, within the same 640-acre Unit or 1,280-acre Unit; (v) no interwell producing interval setback distance laterally within any 640-acre Unit or 1,280-acre Unit between Stacked SLHZ and LLHZ Wells; and (vi) producing interval setbacks of one hundred feet (100.0') vertically from the producing interval of another Stacked SLHZ or LLHZ Well within such 640-acre Unit

or 1,280-acre Unit, will collectively result in efficient but limited communication between Existing Vertical Wells, Existing SLHZ and LLHZ Wells, future Vertical Wells and future SLHZ and/or LLHZ Wells, and allow greater flexibility in locating future Vertical Wells and future SLHZ and/or LLHZ Wells upon the Subject Lands, while still protecting correlative rights;

(c). It is difficult, if not impossible, to establish uniform producing interval setbacks between Existing Vertical Wells, future Vertical Wells, Existing SLHZ and/or LLHZ Wells, and future SLHZ and/or LLHZ Wells, but the same may be required to maximize resource recovery from the Subject Formations, and the separation of individual production intervals within the pool of the Subject Formations discussed below would require separate metering and create additional administrative burdens to either prevent, or effect, the commingling of production from the Subject Formations via Vertical, SLHZ and LLHZ Wells;

(d). In order to maximize the recovery of resources from the Subject Formations: (i) one (1) Vertical Well in each 40-acre Unit on the Subject Lands (inclusive of Existing Vertical Wells), and up to sixteen (16) Vertical Wells per governmental section in the Subject Lands (inclusive of Existing Vertical Wells); (ii) up to twelve (12) SLHZ Wells in each 640-acre Unit (inclusive of both: (I) any Existing SLHZ Well and (II) any future LLHZ Wells drilled on any lands contained within any such 640-acre Unit); and (iii) up to twelve (12) LLHZ Wells in each 1,280-acre Unit (inclusive of: (I) any Existing LLHZ Well; (II) any Existing SLHZ Well; and (III) any future SLHZ Wells drilled on any lands contained within any such 1,280-acre Unit) are necessary to allow flexibility in the drilling of wells and to allow the maximum recovery of resources from all zones and intervals found within the Subject Formations.

(e). CPE's request to drill SLHZ and LLHZ Wells in overlapping 640-acre units and 1,280-acre units, but limited to maximum of twelve (12) horizontal wells per any overlapping 640-acre Unit or 1,280-acre Unit, indicates that the overlapping nature of the request would in no instance result in a maximum number of wells in excess of the twelve (12) requested per 640-acre unit or 1,280-acre Unit;

12. Based on the foregoing, CPE believes and alleges that in order to afford the continued protection of the correlative rights of the owners of interests in the Subject Lands:

(a). The Subject Formations should be declared a "common source of supply" as contemplated by Utah Code Ann. § 40-6-2(18)

(b). The order of the Board issued pursuant to this Amended RAA shall become effective upon such issuance;

(c). 40-acre Units should be established upon the Subject Lands for all Existing Vertical Wells and future Vertical Wells, such that all production attributable to the same be allocated to the 40-acre Units, respectively;

(d). Overlapping 640-acre Units should be established upon the Subject Lands for all Existing SLHZ Wells and future SLHZ Wells, such that all production attributable to the same be allocated to the 640-acre Units, respectively;

(e). Overlapping stand-up 1,280-acre Units should be established upon the Subject Lands for all Existing LLHZ Wells and future LLHZ Wells, such that all production attributable to the same be allocated to the 1,280-acre Units, respectively;

13. Due to the presence of oil and gas leases issued through the United States Bureau of Indian Affairs ("BIA") by Tribal and/or Allottee lessors covering portions of all of the Subject Lands, the preparation and execution of multiple federal communitization agreements is required

(whether by regulation and guideline, or through BIA practice), a prerequisite of which is the establishment of the requested 40-acre Units, 640-acre Units and 1,280-acre Units.

14. CPE respectfully asserts that notwithstanding the overall size and boundary shape of the Subject Lands, the granting this Amended RAA will further the public policies of the State of Utah to promote greater recovery of oil, gas and associated hydrocarbons from the Subject Formations without waste and with protection of the correlative rights of all affected owners, constitutes the orderly and consistent development of the Subject Lands as to the Subject Formations, and is just and reasonable under the circumstances.

15. In accordance with the UDOGM Rules, CPE has presented testimony and exhibits in support of the allegations and statements set forth in this Amended RAA at the December 2015 Board Hearings, and will supplement the same for purposes of the January 2016 Board Hearings.

16. CPE will separately file a certificate of mailing listing all parties known to it, based upon its reasonable search of the Uintah County, Utah records and the records of the Division, whose legally protected interests may be affected by this Amended RAA.

17. As of the filing of this RAA, CPE knows of no respondents or adverse parties to either CPE's original Request for Agency Action in the above-captioned matter or this Amended RAA.

WHEREFORE, based on the foregoing, CPE respectfully requests that:

I. This matter be set for hearing before the Board on January 27, 2016, in Salt Lake City, Utah ("Hearing");

II. Notice of this Amended RAA and the Hearing be prepared and given as provided by the order of the Board issued in the above-captioned matter during the December 2015 Board Hearings; and

III. Upon production of sufficient evidence and testimony given at the Hearing, the Board issue an order:

A. Partially vacating Board Order No. 142-05, as to the Order No. 142-05 Lands;

B. Vacating Board Order No. 131-138 in its entirety;

C. Declaring that the Subject Formations a “common source of supply,” as contemplated by Utah Code Ann. § 40-6-2(18);

D. Establishing 40-acre Units upon the Subject Lands for the Subject Formations for all Existing Vertical Wells and future Vertical Wells, effective the date of issuance of the order of the Board issued pursuant to this Amended RAA;

E. Establishing overlapping 640-acre Units upon the Subject Lands for the Subject Formations for all Existing SLHZ Wells and future SLHZ Wells, effective the date of issuance of the order of the Board issued pursuant to this Amended RAA;

F. Establishing overlapping stand-up 1,280-acre Units upon the Subject Lands for the Subject Formations for all Existing LLHZ Wells and future LLHZ Wells, effective the date of issuance of the order of the Board issued pursuant to this Amended RAA;

G. Authorizing the drilling, completion and operation of one (1) Vertical Well in each 40-acre Unit on the Subject Lands (inclusive of Existing Vertical Wells), and up to sixteen (16) Vertical Wells per governmental section in the Subject Lands (inclusive of Existing Vertical Wells) for the Subject Formations;

H. Authorizing the drilling, completion and operation of up to twelve (12) SLHZ Wells in each 640-acre Unit (inclusive of both: (I) any Existing SLHZ Well and (II) any future LLHZ Wells drilled on any lands contained within any such 640-acre Unit) for the Subject Formations;

I. Authorizing the drilling, completion and operation of up to twelve (12) LLHZ Wells in each 1,280-acre Unit (inclusive of: (I) any Existing LLHZ Well; (II) any Existing SLHZ Well; and (III) any future SLHZ Wells drilled on any lands contained within any such 1,280-acre Unit) for the Subject Formations;

J. Providing that Future Vertical Wells within each 40-acre Unit shall be drilled, completed and operated such that any future Vertical Well may be located in the center of any governmental quarter-quarter section, with a four hundred foot (400.0') window of tolerance, located no closer than: (I) four hundred sixty feet (460.0') from the boundaries of any 40-acre Unit and (II) nine hundred twenty feet (920.0') to any other Existing Vertical Well or future Vertical Well, absent an exception location approved pursuant to UDOGM Rule R649-3-3;

K. Providing for future SLHZ and LLHZ Well producing interval setbacks of three hundred thirty feet (330.0') laterally from any Existing Vertical Well or future Vertical Well, absent an exception location approved pursuant to UDOGM Rule R649-3-3;

L. Providing for producing interval setbacks of three hundred thirty feet (330.0') laterally from the north and south boundaries of each 640-acre Unit or 1,280-acre Unit, absent an exception location approved pursuant to UDOGM Rule R649-3-3;

M. Providing for producing interval setbacks of five hundred sixty feet (560.0') laterally from the east and west boundaries of each 640-acre Unit or 1,280-acre Unit, absent an exception location approved pursuant to UDOGM Rule R649-3-3;

N. Providing for producing interval setbacks of three hundred thirty feet (330.0') laterally from the producing interval of any Existing SLHZ or LLHZ Well, or any future SLHZ or LLHZ Well, within the same 640-acre Unit or 1,280-acre Unit, absent an exception location approved pursuant to UDOGM Rule R649-3-3;

O. Providing that there shall be no interwell producing interval setback distance laterally within any 640-acre Unit or 1,280-acre Unit between Stacked SLHZ and LLHZ Wells, absent an exception location approved pursuant to UDOGM Rule R649-3-3;

P. Providing for producing interval setbacks of one hundred feet (100.0') vertically from the producing interval of another Stacked SLHZ or LLHZ Well within such 640-acre Unit or 1,280-acre Unit, absent an exception location approved pursuant to UDOGM Rule R649-3-3;

Q. Providing that the surface location of any future Vertical Well may be located pursuant to UDOGM Rule R649-3-2;

R. Providing that the surface location of any future SLHZ or LLHZ Well may be located anywhere within any 640-acre Unit or 1,280-acre Unit, respectively, absent an exception location approved pursuant to UDOGM Rule R649-3-3, and subject to the acquisition of proper surface and subsurface estate authorizations and the casing/cementing of any future SLHZ or LLHZ Well to the three hundred thirty foot (330') setback set forth in Paragraph L above, both of which to be evidenced by a self-certification of the same executed by the operator

of such 640-acre Unit or 1,280-acre Unit and filed with the Division, and provided that the other setbacks set forth above are otherwise maintained;

S. Providing that the surface location of any future SLHZ or LLHZ Well may be located outside of any 640-acre Unit or 1,280-acre Unit, respectively, absent an exception location approved pursuant to UDOGM Rule R649-3-3, and subject to the acquisition of proper surface and subsurface estate authorizations and the casing/cementing of any future SLHZ or LLHZ Well to the three hundred thirty foot (330') setback set forth in Paragraph L above, both of which to be evidenced by a self-certification of the same executed by the operator of such 640-acre Unit or 1,280-acre Unit and filed with the Division, and provided that the other setbacks set forth above are otherwise maintained.

T. Providing that CPE appear before the Board on the first anniversary of the effective date of the order of the Board issued pursuant to this Amended RAA, and on each of the four (4) anniversaries thereafter, for the purpose of: (I) providing the Board with information and data concerning CPE's operations on the Subject Lands pursuant to such order and (II) based thereon, determining the need, if any, for the Board's amendment, modification and/or termination of any such order; and

U. Providing for the expiration of the order of the Board issued pursuant to this Amended RAA five (5) years of the date of such issuance, unless otherwise extended, amended and/or modified by the Board.

V. Making such findings and orders in connection with this Amended RAA as it deems otherwise necessary; and

W. Providing for such other and further relief as may be just and equitable under the circumstances.

Respectfully submitted this 28th day of December, 2015.

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